

Rainy River Energy Corporation

Order No. EA-273-B

I. BACKGROUND

Exports of electricity from the United States to a foreign country are regulated by the Department of Energy (DOE) pursuant to sections 301(b) and 402(f) of the Department of Energy Organization Act (42 U.S.C. 7151(b), 7172(f)) and require authorization under section 202(e) of the Federal Power Act (FPA) (16 U.S.C. 824a(e))¹.

On March 24, 2003, DOE issued Order No. EA-273 to Rainy River Energy Corporation (Rainy River). That Order authorized Rainy River to export electric energy to Canada as a power marketer for a two-year term. That order was renewed on May 23, 2005 (Order No. EA-273-A) for a five-year term, which expires on May 23, 2010.

On February 3, 2009, Rainy River applied to DOE to rescind the authorization in Order No. EA-273-A. In its application, Rainy River informed DOE that it withdrew its market-based rate tariff from the Federal Energy Regulatory Commission effective September 29, 2008. In addition, Rainy River asserts that it has not exported electricity to Canada since 2004.

II. FINDING

DOE finds that cancellation of Rainy River's export authority by rescinding Order No. EA-273-A, as requested by Rainy River, would not impair the sufficiency of electric power supply within the United States and would not impede or tend to impede the coordination in the public interest of facilities within the meaning of section 202(e) of the FPA.

DOE believes that it has satisfied its responsibilities under the National Environmental Policy Act of 1969 through the documentation of a categorical exclusion in the Docket No. EA-273 proceeding.

III. COMPLIANCE

Upon issuance of this Rescission Order, Rainy River no longer has authority to export electricity to Canada. However, this Rescission Order is being issued without prejudice and does not preclude Rainy River, upon proper application, from requesting

¹ The authority to administer the International Electricity Regulatory Program through the regulation of electricity exports and the issuance of Presidential permits has been delegated to the Assistant Secretary for the Office of Electricity Delivery and Energy Reliability in Redelegation Order No. 00-002.10C issued on May 29, 2008.

authority to export electric energy again in the future. It should be noted that DOE requires at least sixty days to adequately process an application to export electric energy.

Obtaining a valid Order from DOE authorizing the export of electricity under section 202(e) of the FPA is a necessary condition before engaging in an export. Therefore, Rainy River must obtain a new authorization from DOE before engaging in the further export of electricity. Failure to obtain such an order before exporting may subject Synergy to sanctions and penalties under the FPA. Rainy River should implement appropriate internal procedures to monitor the status of its electricity trading activities to ensure that it does not cause electricity to be exported in the absence of a valid order.

DOE expects transmitting utilities owning border facilities and entities charged with the operational control of those border facilities, such as Independent System Operators or Regional Transmission Organizations, to verify that companies seeking to schedule an electricity export have the requisite authority from DOE to export such power.

IV. ORDER

Pursuant to section 202(e) of the FPA and the Rules and Regulations issued thereunder (Title 10, Code of Federal Regulations, sections 205.300-309), the electricity export authorization issued to Rainy River on May 23, 2005, in Order No. EA-273-A, is hereby rescinded.

Issued in Washington, D.C., on March 26, 2009.

Anthony J. Como
Director, Permitting and Siting
Office of Electricity Delivery
And Energy Reliability